

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant :	Takuya Tamatani et al.	Art Unit :	1644
Patent No. :	7,247,612	Examiner :	Ilia I. Ouspenski
Issue Date :	July 24, 2007	Conf. No. :	3400
Serial No. :	10/723,602		
Filed :	November 25, 2003		
Title :	METHODS OF TREATING AN INFLAMMATORY DISEASE WITH A JTT-1 POLYPEPTIDE		

Office of Petitions

Commissioner for Patents

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RESPONSE TO DECISION ON PETITION UNDER 37 C.F.R. § 1.183 AND ON APPLICATION FOR PATENT TERM ADJUSTMENT UNDER 37 C.F.R. § 1.705(d)

In the Decision dated July 21, 2009 (“the Decision”), the United States Patent and Trademark Office (“the Office”) dismissed Patentees’ Petition under 37 C.F.R. § 1.183 (“the Petition”) and Application for Patent Term Adjustment. The Petition had requested that the time limit for consideration of the Application for Patent Term Adjustment be suspended so as to permit reconsideration of the patent term adjustment calculation according to the rule established by the court in Wyeth v. Dudas, 580 F. Supp. 2d 138 (D.D.C. 2008). The Decision refused to suspend the time limit and, as a result of that refusal, dismissed the Application for Patent Term Adjustment as untimely filed. Because the Office did not consider the merits of the Application for Patent Term Adjustment, the only issue presented in this response is the Office’s dismissal of the Petition.

As detailed in the Petition, the Office had published in the Federal Register (in 2004) an interpretation of the statute governing patent term adjustment that unambiguously supported the Office’s final patent term adjustment calculation for U.S. Patent No. 7,247,612 (“the patent”). In reliance on the Office’s presumed ability to publish an interpretation that is not inconsistent with the statute, Patentees did not challenge the Office’s patent term adjustment calculation within two months after grant of the patent. However, on September 30, 2008, the U.S. District Court

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for the District of Columbia issued the opinion in Wyeth v. Dudas finding that the Office's interpretation of the patent term adjustment statute is in error.

37 C.F.R. §1.183 provides that “[i]n an extraordinary situation, when justice requires, any requirement of the regulations in this part which is not a requirement of the statutes may be suspended or waived ...” Patentees asserted in the Petition that the time period specified under 37 C.F.R. § 1.705(d) is not a requirement of the statutes and is therefore eligible for suspension under 37 C.F.R. §1.183. The Office agreed that it is within the Director's authority to waive the two-month requirement. Decision at page 3. However, despite having such authority, the Office declined to grant the requested waiver in this case. Decision at pages 3-4.

The Decision asserted that “the fact that the District Court has now issued an Opinion contrary to the Office's interpretation does not make the situation extraordinary.” Decision at page 5. In addition, the Decision asserted, without citation of any authority, that “Petitioner cannot rely on Wyeth's actions or the Wyeth decision to establish that their situation was extraordinary.” Decision at page 6. Patentees respectfully disagree. The present case presents a rare instance where the Office's published interpretation of a statute has been overturned by a court. Patentees are unaware of a single previous instance where a court has rejected a published interpretation of the patent term adjustment statute made by the Office. Such a unique occurrence qualifies as an “extraordinary situation.”

Patentees should be able to rely on the Office's ability to draft and apply regulations that are not inconsistent with the statute. The Office has particularized expertise and should be given wide latitude when taking on the important task of promulgating regulations and written interpretations of the statute. This is not merely a matter of an individual Examiner or a Board issuing a final decision, which decision is subsequently challenged and reversed by a court. This is a rare instance where the Office has put its full authority behind a published interpretation that has later been rejected by a federal court. In such an exceptional case, it would be manifestly unjust to punish those patentees who made an earnest attempt to comply with the laws and regulations as interpreted by the Office.

The Office's erroneous written interpretation of the law is the primary reason why Patentees do not currently enjoy the full patent term adjustment to which they are legally entitled. The Office's contribution to the Patentees' predicament is highly relevant in determining whether justice requires invocation of the Director's authority under 37 C.F.R. §1.183. See Helfgott & Karas, P.C. v. Dickenson, 209 F.3d 1328 (Fed. Cir. 2000). In Helfgott, the Office had refused to grant a petition under 37 C.F.R. §1.183 to permit an applicant to correct an erroneous filing that had been made in a PCT application. Id. at 1329-33. The court held that the Office's refusal to grant applicant's requested relief via a 37 C.F.R. §1.183 petition constituted an abuse of discretion under the Administrative Procedure Act. Id. at 1337. "[T]he argument for the exercise of discretion would appear to be especially strong in this case, where the harmful actions of the PTO were, as noted above, in contravention of the PCT Guidelines, which requires that the applicant be given notice whenever documents filed with the PTO are altered." Id. In Helfgott, the Office's misapplication of a PCT rule made it "a primary contributor" to the applicant's subsequent loss of legal rights. Id. at 1335. Similarly, in this instance the Office's publication of an incorrect legal standard was the primary cause of Patentees' potential loss of legal rights. When the Office takes the significant step of publishing in the Federal Register an interpretation of a statute that is later held to be incorrect, justice requires that the Office take those remedial steps that are within its authority to undue the damage that it has caused.

Wyeth was not the only instance where the Office had followed a practice that was later found to deny some patentees the full patent term adjustment to which they are entitled under the law. In 2004, without court intervention, the Office amended the rules governing patent term adjustment to modify its previously overly-stringent interpretation of what can be considered a "decision" within the meaning of 35 USC 154(b)(1)(A)(iii).¹ In view of its change in statutory interpretation, and the obvious unfairness to patentees that had suffered loss of rights by not contesting the Office's narrow interpretation of the statute within two months after patent issuance, the Office provided a time period in which patentees whose patent term would have

¹ The Office reversed its position that a remand from the Board of Patent Appeals and Interferences could not be a "decision" as that term is used in 35 USC 154(b)(1)(A)(iii).

been calculated differently could file a request for reconsideration under the revised rule.² The present Decision's hard-line assertion that "Petitioner could have filed a Request for Reconsideration of Patent Term Adjustment as Wyeth did" is irreconcilable with the Office's previous provision of a remedy for all patentees (*including those whose patents had issued more than two months earlier*) following a different change in the Office's application of the patent term adjustment statute. It would be arbitrary and capricious and an abuse of discretion for the Office to have provided a retroactive remedy for the previous Office error but not to do so for the Office error that is the subject of the Petition. There is no rational basis to select one class of systemic patent term adjustment errors as deserving of a retroactive cure while denying a retroactive cure to another class of systemic errors. Unlike the previous Office error that resulted in the provision of a remedy for all patentees irrespective of the lapse of the two month post-issuance time limit, the Decision provides no explanation as to why the present Office error is one where "justice does not require the waiver of the two-month requirement" but instead "requires that the Office continue to devote its resources to the adjudication of timely filed requests for reconsideration under 37 CFR 1.705(b) and (d)."

The Decision (at pages 5-6) contains a section addressing exhaustion of administrative remedies and asserts that Patentees were on notice that "failure to file a request for reconsideration of patent term adjustment within the two-month period as required would likely foreclose their right to judicial relief." Decision at page 5. The arguments presented in these passages appear to be irrelevant to the subject matter of the Petition, since Patentees have not requested judicial relief. Instead, Patentees have requested that the Director exercise his authority (which the Decision acknowledges is available in this instance) to suspend the rules and do justice to address a potential loss of rights that has occurred primarily as a result of the actions of the Office.

As detailed in the application for patent term adjustment enclosed with the Petition, the patent will have a term that is shorter than that to which it is legally entitled if the Petition is not granted, seriously prejudicing Patentees in fully enforcing their statutory patent rights. In view

² "Revision of Patent Term Extension and Patent Term Adjustment Provisions" published on April 22, 2004 at 69 Fed. Reg. 21704-11.

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of Patentees' detrimental reliance on the Office's published interpretation of the patent term adjustment statute and regulations, and in the interests of fundamental fairness, Patentees respectfully request that the time limit for consideration of an application for patent term adjustment be suspended so as to permit reconsideration according to the rule established by the court in Wyeth v. Dudas.

No fee is believed due. However, if any fee is due, please charge it to Deposit Account No. 06-1050, referencing Attorney Docket Number 14539-0004011.

Respectfully submitted,

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